

# **APPENDIX A – 4**

## **Project Selection Processes**

**San Francisco Bay Area Transit Capital Priorities Process and Criteria  
MTC Resolution No. 3232**

Date: January 26, 2000  
W.I.: 51.2.10  
Referred By: PAC  
Revised: 12/20/00-C

ABSTRACT

Resolution No. 3232, Revised

This resolution approves the process and establishes the criteria for selecting transit capital priorities projects in the San Francisco Bay Area.

Attachment A to this resolution was revised on December 20, 2000 to establish guidelines for funding the replacement of used vehicles under Transit Capital Priorities.

Date: January 26, 2000  
W.I.: 51.2.10  
Referred By: PAC

RE: San Francisco Bay Area Transit Capital Priorities Process and Criteria

METROPOLITAN TRANSPORTATION COMMISSION  
RESOLUTION NO. 3232

WHEREAS, the Metropolitan Transportation Commission (MTC) is the regional transportation planning agency for the San Francisco Bay Area pursuant to Government Code Sections 66500 et seq.; and

WHEREAS, MTC is the designated Metropolitan Planning Organization (MPO) for the nine-county Bay Area and is required to prepare and endorse a Transportation Improvement Program (TIP) which includes a list of priorities for transit capital projects; and

WHEREAS, MTC has worked cooperatively with the cities, counties and transit operators in the region to establish a process and a set of criteria for the selection of transit capital projects to be included in the TIP; and

WHEREAS, the process and criteria to be used in the selection and ranking of projects are set forth in Attachment A, which is incorporated herein as though set forth at length; now, therefore, be it

RESOLVED, that MTC approves the Transit Capital Priorities Process and Criteria as set forth in Attachment A; and, be it further

RESOLVED, that MTC will use the process and criteria to program Federal Transit Administration funds to finance transit capital projects in the San Francisco Bay Area region; and, be it further

RESOLVED, that the Executive Director of MTC is authorized and directed to forward a copy of this resolution to FTA, and such agencies as may be appropriate.

METROPOLITAN TRANSPORTATION COMMISSION

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James T. Beall, Jr., Chair

The above resolution was entered into  
by the Metropolitan Transportation  
Commission at a regular meeting of the  
the Commission held in Oakland,  
California on January 26, 2000

Date: January 26, 2000  
W.I.: 51.2.10  
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Attachment A  
Resolution No. 3232  
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**FY 2000-01 through FY 2002-03  
San Francisco Bay Area  
Transit Capital Priorities  
Process And Criteria**

**For development of the  
FY 2000-01 through FY 2002-03  
Transit Capital Priorities Project List**

Metropolitan Transportation Commission  
Joseph P. Bort MetroCenter  
101 Eighth Street  
Oakland, CA 94607

**FY 2001-2003 TRANSIT CAPITAL PRIORITIES PROCESS AND CRITERIA****A. GOAL AND OBJECTIVES**

The FY 2001-2003 Transit Capital Priorities (TCP) Process and Criteria are the rules for establishing a three-year transit capital priorities project listing for transit operators in the San Francisco/Oakland (SF/O) and San Jose (SJ) Urbanized Areas (UZAs) of the San Francisco Bay Area region. The goal of the TCP Process and Criteria is to select and to program for funding those transit projects that are most essential to the region and consistent with the Regional Transportation Plan (RTP). The TCP will cover the programming of Federal Transit Administration (FTA) Section 5307 and Section 5309 Fixed Guideway funds. Projects selected will conform to the requirements of the Transportation Equity Act for the 21<sup>st</sup> Century (TEA-21), Clean Air Act Amendments of 1990 (CAAA), the California Clean Air Act (CCAA), and the Americans with Disabilities Act (ADA).

The region's objectives for the TCP are to:

1. **Fund basic capital requirements:** All eligible replacement and expansion projects are to be considered in the priority setting process, with emphasis given to the most essential projects that replace and sustain the existing transit system capital plant. MTC will base the list of eligible replacement and expansion projects on operators' Short Range Transit Plan (SRTP) service objectives and consequent capital plan. Operators, as part of their planning processes, will identify the costs of their capital replacement needs in their SRTPs and submit these projects for TCP consideration. All projects not identified as candidates for the TCP process are assumed to be funded by other resources and so identified in the operators' SRTPs.
2. **Maintain reasonable fairness to all operators:** Tests of reasonable fairness are to be based on the total funding available to each operator over a period of time, the level and type of service provided, timely obligation of prior year grants, and other relevant factors. (A proportional share distributed to each operator is specifically not an objective.)
3. **Complement other MTC funding programs for transit:** MTC has the lead responsibility in programming regional Surface Transportation Program (STP) and Congestion Mitigation-Air Quality (CMAQ) funds, and State Transportation Improvement Program (STIP) funds. Transit capital projects not funded through the TCP process are eligible for funding under these federal and state programs. Development of the TCP will complement the programming of STP, CMAQ, and STIP funds to maximize the financial resources available in order to fund the most essential projects for the San Francisco Bay Area's transit properties.

**B. TCP PROCESS - GENERAL****B1. Cooperative Process between Transit Operators and MTC**

Each transit operator in the MTC region is responsible for appointing a representative to staff the Transit Finance Working Group (TFWG). The TFWG serves in an advisory capacity to the MTC Partnership

Finance Committee. The TFWG meets monthly, or as needed, to discuss issues arising from the TCP and from other transit funding programs. All programming-related decisions are to be reviewed with the MTC Partnership Finance Committee. In general, the MTC Programming and Allocations Committee and the full Commission take action on the TCP and any other transit-related funding programs after the MTC Partnership Finance Committee has reviewed them.

## **B2. Operator and MTC Responsibilities**

### **a. Operator Responsibilities**

**Capital Program Submittal.** Operators will submit their transit capital project proposals to MTC using one of the following methods: 1) for large transit properties, e.g. AC Transit, both MTC Finance Plan and Project Justification Worksheets (PJW), or 2) for smaller transit properties, e.g. City of Benicia, PJWs only. For each project proposed during the three-year programming period (FY 2000-01 through FY 2002-03), the operators will need to provide sufficient details about each project, including programming justification and a detailed project implementation schedule. The level of detail must be sufficient to allow for MTC to screen and score the project.

Justification should be concise and the level of detail should be appropriate for the type of project being considered: i.e., major new projects need to be more extensively explained than routine replacement projects. Operators should provide whatever level of detail is required to convince a reasonable person that the project is well-conceived and needed in the year requested.

**Projects proposed by outside agencies.** Inclusion of projects proposed by agencies other than the transit operators in the TCP should be based on a mutually satisfactory agreement between transit operators and the proposing agency. For this reason, such projects should be in a transit operator's list of proposed projects. It is the responsibility of the transit operator to notify non-transit agencies - such as the agencies which may propose transit projects in their Congestion Management Plan Capital Improvement Plans - early enough in the process to allow evaluation of these projects. It is also the responsibility of the transit operator to respond to these proposals in a timely manner.

**Support.** To improve the timeliness, completeness, and accuracy of the information submitted to MTC, MTC staff will meet with operator staff on a periodic basis to review the status of the projects and the interpretation of Capital Priorities requirements.

### **b. MTC Responsibilities**

**Fund estimate.** MTC staff will develop and update estimates of funds likely to be available in the FY 2001-03 period for transit capital needs. The estimates will include the following fund sources: Section 5307, Section 5309 Fixed Guideway, and Net Toll Bridge Revenues. These estimates are intended to be realistic expectations; they will be used to constrain the programming of the federal funds for TCP projects in the Transportation Improvement Program (TIP).

**Screening projects.** From information provided by the operators on their projects, MTC staff will first evaluate all projects for conformance with the Screening Criteria (Section C) below. These necessary

findings must be made for a project to reach the scoring stage of the Capital Priorities process. Operators will be informed by MTC staff if a project has failed the screen, and operators may be given an opportunity to submit additional information for clarification.

**Scoring projects.** MTC staff will only score those projects which have passed screen. Based on the score assignment provided in Section D below, each project will be assigned a score based on its type. Projects receiving highest scores are by definition the most essential projects in the region. Operators will be informed by MTC staff of the score given to each project, and operators may be given an opportunity to submit additional information for clarification.

**Programming Projects/Assigning projects to fund source.** Once all projects which passed screen are scored, they are ranked by year in descending score order on a master list. While an operator may propose a particular fund source for a project, MTC will re-examine the proposed source in light of project characteristics and constrained regional fund estimates. Operators will be informed by MTC staff of the fund source designation of each scored project.

Projects will be programmed in the TCP in the year proposed. While screened and scored projects will be programmed in the TCP in the year proposed, a project will only be programmed in the TIP if these two conditions are met: 1) funding is available in the year proposed, and 2) funds can be obligated by the operator in the year proposed. Programming for each FTA program in the first three years of the TIP is required to be constrained to the estimated apportionment levels.

**TIP Monitoring.** Progress of each programmed project in the first three years of the TIP and projects in any open FTA grants will be monitored. Those projects which have fallen behind their proposed implementation schedules will be reviewed at the regular Transit Finance Working Group (TFWG) meetings. The TFWG will discuss and determine appropriate strategies for dealing with the projects that have fallen behind schedule. On an annual basis, prior to the development of the final Program of Projects, the Transit Finance Working Group will review each grantee's open grant status to determine its ability to manage additional grants/projects for the upcoming year.

### **B3. Description and Eligibility of Funding Programs covered in the TCP**

MTC staff will determine eligibility for projects submitted for funding consideration under the Section 5307 and Section 5309 Fixed Guideway programs. MTC staff will also consider the eligibility for and assignment of Net Toll Revenues to the projects proposed for FTA funding.

#### **FTA Section 5307 Urbanized Area Program**

Program Eligibility (Statutory Reference: 49USC5307): Planning, engineering design and evaluation of transit projects and other technical transportation-related studies; capital investments in bus and bus-related activities such as replacement of buses, overhaul of buses, rebuilding of buses, crime prevention and security equipment and construction of maintenance and passenger facilities; and capital investments in new and existing fixed guideway systems including rolling stock, overhaul and rebuilding of vehicles, track, signals, communications, and computer hardware and software. All preventive maintenance and some ADA complementary paratransit service are considered capital costs.

Program Caps (Regional Policy): In order to prevent committing a significant portion of the programming to an operator in any one year, the following funding ceilings for projects are established:

- revenue vehicle replacement projects cannot exceed \$15 million
- other replacement projects cannot exceed \$7.5 million
- expansion or enhancement projects cannot exceed \$3.75 million

Exceptions to these annual funding ceilings will be considered by the TFWG on a case-by-case basis. For large rehabilitation programs, MTC may conduct negotiations with the appropriate sponsor to discuss financing options and programming commitments.

### **FTA Section 5309 Fixed Guideway**

Program Eligibility (Statutory Reference: 49USC5309): Capital projects to modernize or improve fixed guideway systems are eligible including purchase and rehabilitation of rolling stock, track, line equipment, structures, signals and communications, power equipment and substations, passenger stations and terminals, security equipment and systems, maintenance facilities and equipment, operational support equipment including computer hardware and software, system extensions, and preventive maintenance.

### **Net Toll Revenues**

Fund allocation is governed by MTC Bridge Toll Policy, MTC Res. No. 2004, Revised. In general, the first priority for Net Toll Revenues is to match transit capital projects programmed federal and/or state formula funds in the TIP. Federal and state formula funds include the following: FTA Sections 5307 and 5309 Fixed Guideway, STP and CMAQ funds, and State Transportation Improvement Program (STIP) (e.g. state STP) funds. Projects are programmed Net Toll Revenues in descending TCP score order, regardless of the federal formula fund source, but may be subject to prior programming agreements (e.g. MTC's Resolution No. 2672 agreement with BART).

### **B4. FY 2001-03 TCP Development Schedule**

To the extent possible, the region will adhere to the schedule proposed in the table below in developing the FY 2001-03 TCP. If a change in the schedule is required, MTC will notify participants of the TCP development process in a timely fashion.

|    | <u>Capital Priorities Process Milestone</u>                       | <u>Timeline</u>  |
|----|---|------------------|
| 1. | Operators submit a 3-year capital program to MTC via Finance Plan | by Nov. 15, 1999 |
| 2. | Review final draft TCP Process & Criteria w/ TFWG                 | December 1999    |
| 3. | MTC Commission takes action on TCP Process and Criteria           | January 2000     |
| 4. | Screen and Score projects submitted for TCP consideration         | February 2000    |
| 5. | MTC & operators discuss project rankings & designated fund source | March 2000       |
| 6. | Review final draft TCP w/ Partnership Finance Committee           | March 2000       |



|    |   |                 |
|----|---|-----------------|
| 7. | Present FY 2001-03 TCP to MTC Programming and Allocations Committee and the Commission for action | April 2000      |
| 8. | MTC staff develops Transit Element of the TIP based on adopted TCP                                | May – June 2000 |

### **B5. Transportation Improvement Program (TIP) and the Program of Projects (POP)**

Immediately following the adoption of the FY 2001-03 TCP, MTC staff will work, with the transit operators' cooperation, to develop the FY 2001 Transportation Improvement Program (TIP) Transit Element. The TCP list serves as the basis for the development of the TIP. In turn, the TIP provides the basis for development of the annual Program of Projects (POP). These documents are prerequisites for FTA grant approval and funding.

**Annual Programming in the TIP.** MTC, in cooperation with the state and affected transit operators, is required to develop a TIP for our metropolitan planning area. The TIP may include only projects or identified segments or phases of a project for which the entire amount of federal and non-federal funding can reasonably be anticipated to be available within the time period contemplated for completion of the project. Particularly important to FTA is the TIP's list of projects, including project segments and phases, intended to be carried out within the 3-year period, and the financial plan demonstrating how the TIP can be implemented, indicating resources from public and private sources expected to be made available for the project. Those projects, including segments and phases, are to be listed by year of funding.

The TCP will contain all screened and scored projects in the year they are proposed for funding. However, programming in each of the first three years of the TIP will be financially constrained to the estimated apportionment level. Projects will be funded in each year in descending TCP score order until funding for that year is exhausted. If necessary, MTC will apply the established procedures for resolving tied-score projects (see below). Any unfunded project from a prior year will be deferred to subsequent years of the TIP only if the project's score order would warrant its likelihood for funding. MTC assumes any project not funded in the earlier years and not carried over to subsequent years is to be funded by the transit operator with non-federal funds.

**Development of the POP.** To receive a FTA grant, a grant applicant must meet certain requirements concerning public participation in development of a program of projects. However, as provided for in FTA Circular 9030.1C (revised October 1, 1998), FTA considers a grantee to have met the public participation requirements associated with the annual development of the POP when the grantee follows the public involvement process outlined in the FHWA/FTA planning regulations. In light of the new flexibility stated in FTA Circular 9030.1C, grantees in the region are to comply with the POP requirements by utilizing the public involvement process already established for the TIP.

MTC will work with the operators to conform the annual programming of the transit element of the TIP to the actual FTA Sections 5307 and 5309 apportionments once these numbers are available. This will be done around October or November of each year. Congressional appropriations will determine the exact amounts of Section 5307 and Section 5309 Fixed Guideway funds to be available to the urbanized areas in

the region. Any programming adjustments will be done in consultation with the eligible claimants and transit operators in the MTC region. In lieu of a separate publication of a POP, MTC will afford the public an opportunity to comment on the proposed TIP amendments. Amendments are necessary in order to financially constrain the transit programming in the annual element of the TIP. The public will be given a 30-day review period to comment on the proposed changes. We will also hold a public hearing to receive comments.

**Resolving blocks of tied scores.** Ties between projects with the same scores may need to be broken if final apportionments for the FTA Section 5307 and Section 5309 Fixed Guideway programs come in lower than MTC has previously estimated. In this case, MTC staff will first negotiate with operators to reduce the scope or phase the projects in the tied score block. If this is not possible, MTC will re-examine the projects. Among the information to be considered will be readiness, prior funding (if the project is a phased multi-year project), and the number of years a project has been ready, programmed, and not received any funds. An operator's share of Federal funds received within the region over the past years may also be considered.

**Project Review.** Each operator is expected to complete its own Federal grant applications using FTA's electronic grant making system TEAM. MTC staff will do Project Review for those projects that require additional MTC review, as identified in the 2001 TIP. The MTC project review resolutions will also be transmitted to FTA under a separate cover.

## **B6. Changes to the TCP**

From time to time, operators may feel that changing circumstances may justify revisions to the TCP project list. Any proposed amendment must first be submitted in writing to MTC staff, and that submittal accompanied by the MTC response to the proposal must be transmitted to the TFWG for discussion and action.

Following adoption of the TCP, and later the TIP, by the Commission, amendments may be allowed only in certain circumstances. The following general principles govern the changes:

- Amendments are not routine. Any proposed changes will be carefully studied.
- Amendments are subject to MTC and TFWG review.
- Amendments which adversely impact another operator's project will not be included without the prior agreement of other operators to the change.

Specifically, the following amendment rules apply.

1. Inclusion of emergency/urgent projects will be considered on a case-by-case basis as exceptions. MTC staff will evaluate such projects using the existing criteria to determine score and master rank. Since the inclusion of such projects may be to the detriment of other operators, the proposing operator should avoid, as best it can, impacting other operators. Operators may be requested, based upon an MTC evaluation, to partially or fully program their own funds for such projects.

2. Additions of foreseeable and non-emergency projects shall not be to the detriment of other operators. For new projects, MTC staff will evaluate the project using existing criteria to determine score and rank. An operator can substitute that project for one of its own projects of equal score and approximately equal cost.
3. Operators proposing the change must fully explain the necessity for the amendment, addressing the urgency, changed circumstances, disposition of other affected projects, funding or scope changes, and any other information relevant to evaluation of the proposed amendment.
4. All changes will be presented to the TFWG for review before any MTC actions are taken.
5. Changes in costs and any significant changes in project scope must follow these amendment procedures.
6. In the case of Sections 5307 and 5309 Fixed Guideway funded projects completed under budget, an operator may apply those funds toward its next-ranked unfunded project in that year as established in the TCP. Such programming will be allowed only if: a) the operator provides MTC with an acceptable explanation of the reason for the budget surplus; b) the proposed additional project conforms to all relevant priority setting criteria including readiness; c) MTC staff and the TFWG concur with the amendment; and d) the operator is responsible for amending the adopted Program of Projects including holding a public hearing, as necessary.
7. In the case of federal exchange funds, in order to benefit the region by relieving demands for regional funds, operators may use these funds to backfill projects financed by other sources. Exchange funds should be sufficient to complete a project. If these funds are insufficient to complete the project, the balance of the project must be accepted into the TCP. MTC staff will program the project consistent with the existing procedures. No additional prior commitment points will be given to the non-exchange-funds portion of the project.

## **C. SCREENING CRITERIA**

After operators have submitted their proposed capital programs, the projects are then ranked and evaluated according to the criteria below. The first step in the Capital Priorities process is to ensure that the projects meet TEA-21, ADA and air quality requirements, follow key MTC policies, and have a reasonable expectation being implemented.

A project must be in conformance with the following threshold requirements before the project can be scored and ranked in the TCP project list. Screening criteria fall into five basic groups. The following subheadings are used to group the screening criteria.

- i. Consistency Requirements;
- ii. Financial Requirements;

- iii. Project Specific Requirements;
- iv. Air Quality Requirements; and
- v. Americans with Disabilities Act (ADA) Requirements.

**i. Consistency Requirements**

1. The proposed project must be consistent with the adopted 1998 Regional Transportation Plan (RTP). Small projects must be consistent with the policy direction of the RTP, as the RTP will not go into a sufficient level of detail to specifically list them.
2. Projects near or crossing county boundaries must be consistent/complementary with the facility (or proposed facility) in the adjacent county.
3. Projects must either be included in an adopted local or regional plan (such as Congestion Management Programs, Short Range Transit Plans, Countywide transportation plans pursuant to AB3705, the Seaport and Airport Plans, the State Implementation Plan, the Clean Air Plan, the Regional Transportation Plan, and local General Plans)
4. All new rail starts projects must be consistent with MTC Resolution No. 1876, the regional rail agreement.
5. TEA-21 establishes seven goals that must be considered in the development of the TIP. All projects must address at least one of these goals, as listed below:
  - 1) Support the economic vitality of the metropolitan area;
  - 2) Increase safety and security;
  - 3) Increase accessibility and mobility options for people and freight;
  - 4) Protect the environment, conserve energy, and improve quality of life;
  - 5) Enhance integration and connectivity of the transportation system;
  - 6) Promote efficiency;
  - 7) Emphasize preservation of the existing transportation system.

**ii. Financial Requirements**

6. The proposed project has reasonable cost estimates, is supported by an adequate financial plan with all sources of funding identified and a logical cash flow, and has sensible phasing. Transit operators must demonstrate financial capacity, to be documented in the adopted TIP, as required by the FTA. All facilities that require an ongoing operating budget to be useful must demonstrate that such financial capability exists.

### iii. Project Specific Requirements

7. All projects must be well defined. There must be clear project limits, intended scope of work, and project concept. Planning projects to further define longer range federally eligible projects are acceptable.
8. All projects must be well justified. Wherever possible, this justification should include the results of existing management systems or other performance-based standards. There must be a clear need directly addressed by the project.
9. The proposed project includes an implementation plan which adequately provides for any necessary clearances and approvals.
10. The proposed project is advanced to a state of readiness for implementation in the year indicated. For this requirement, a project is considered to be ready if grants for the project can be obligated within one year of the award date; or in the case of larger construction projects, if the funds can be obligated according to an accepted implementation schedule.
11. Projects that are the normal asset replacement or rehabilitation of revenue vehicles, non-revenue vehicles, service vehicles, maintenance tools and equipment, or portions of facilities, must meet the following age requirements in the year of programming:
 

|   |   |
|---|---|
| Bus   | 12 years  |
| (or an additional 5 years for buses rehabilitated with TCP funding)     |   |
| Van   | 4, 5, or 7 years *                                |
| LRV   | 25 years  |
| Trolley   | 18 years  |
| Heavy Railcar   | 25 years **                                       |
| Locomotive  | 25 years  |
| (or an additional 20 years for railcars rehabilitated with TCP funding) |   |
| Ferry   | 30 years  |
| (or an additional 20 years for vessels rehabilitated with TCP funding)  |   |
| Used vehicles   | varies by type of vehicle ***                     |
| Tools and Equip   | 10 years  |
| Service Vehicle   | 7 years   |
| Non-Revenue Vehicle   | 7 years   |
| Track   | varies by type of track replaced                  |
| Trolley OVHD/3rd Rail Facility  | varies by type of OVHD/3rd rail replaced          |
|   | varies by type of facility and component replaced |

\*A paratransit van is a specialized van used in paratransit service only such as service for the elderly and handicapped. Three general categories of vans are

acceptable in Transit Capital Priorities: Minivans, Standard Conversion Vans, and Small Medium-Duty Coaches. The age requirements for each type are 4, 5, and 7 years respectively.

\*\*Includes CalTrain commuter rail and BART urban rail cars.

\*\*\*Used vehicles are eligible to receive a proportionate level of funding based on the type of vehicle and number of years of additional service. (See “used vehicle replacement”).

Replacement cycle exceptions may be considered as exceptions to the general rules only if significant progress has been made in securing FTA approval for early retirement. FTA approval must be secured before the annual apportionment.

#### **iv. Air Quality Requirements**

12. Proposed projects are not required to have certified environmental documents to be included in the TIP. However, the documentation and project level air quality analyses must be consistent with MTC Resolution No. 2933, Revised.

#### **v. Americans with Disabilities Act (ADA) Requirements**

13. The proposed project meets or supports the requirements of the American with Disabilities Act.

### **D. SCORING OF PROJECTS**

All projects submitted to MTC for TCP programming consideration which passed screen shall be assigned scores by project category as follows:

| <b><u>Project Category</u></b>                                       | <b><u>Project Score</u></b> |
|--|-----------------------------|
| Revenue Vehicle Replacement / Rehabilitation *                       | 16                          |
| Fixed Guideway Replacement / Rehabilitation *                        | 16                          |
| Ferry Replacement / Rehabilitation *                                 | 16                          |
| TransLink  | 16                          |
| Safety   | 15                          |
| ADA/Non Veh Access Improvement                                       | 14                          |
| Fixed/Heavy Equipment, Maintenance/Operating Facilities              | 13                          |
| Intermodal Stations  | 12                          |
| Station/Parking Rehabilitation                                       | 12                          |
| Service Vehicles   | 11                          |
| Tools and Equipment  | 10                          |
| Office Equipment   | 9                           |
| Capitalized Maintenance, including tires/tubes/engines/transmissions | 9                           |
| Operational Improvements/Enhancements                                | 8                           |
| Expansion  | 8                           |

\* For urgent replacements not the result of deferred maintenance and replacement of assets 20% older than the usual replacement cycle (e.g. 12 years for buses), project may receive an additional point to 17 points.

### **Definition of Project Categories**

Vehicle Replacement - replacement of a revenue vehicle at the end of its useful life (12 years for buses 30 ft or larger; 25 years for railcars; 30 years for ferries; 7, 5, or 4 years for paratransit vehicles depending on vehicle type). Vehicles previously purchased with revenue sources other than federal funds (e.g. operator funds) are eligible for federal formula (e.g. Section 5307) funding as long as vehicles meet the replacement age established above in the screening criteria. Vehicles are to be replaced with ones of similar size and seating capacity, e.g. a 40-foot coach replaced with a 40-foot coach and not an articulated vehicle. Any significant upgrade in size will be considered as vehicle expansion and not vehicle replacement. SCORE: 16

Vehicle Rehabilitation - major maintenance, designed to extend the useful life of a revenue vehicle (+5 years for buses, +20 years for railcars, +20 years for ferries). SCORE: 16

Used Vehicle Replacement - replacement of a vehicle purchased used is eligible for federal, state, and local funding which MTC administers. Funds in this category include FTA Section 5307, STP, CMAQ, STIP, and Net Toll Revenues. However, funding for replacement of the used vehicle will be limited to a proportionate share of the total project cost, equal to the number of years the used vehicle is operated beyond its standard useful life divided by its standard useful life. E.g. If a transit property retained and operated a used transit bus for 5 years, it is eligible to receive 5/12<sup>th</sup> of the allowable programming for the project. SCORE: 16

Note: Used vehicles placed in service prior to December 20, 2000 are eligible for replacement in the TCP after the vehicle has been part of the operator's "active fleet" as defined by the Federal Transit Administration for at least five years.

Rehabilitation/Replacement Fixed Guideway - projects replacing or rehabilitating fixed guideway equipment (rail, bridges, traction power system, wayside train control systems, overhead wires) at the end of its useful life. SCORE: 16

TransLink - fare collection equipment specifically required for implementation of the TransLink system. SCORE: 16

Safety/Security - projects addressing potential threats to life and/or property. Project may be maintenance of existing equipment or new safety capital investments. Adequate justification that proposed project will address safety and/or security issues must be provided. TFWG will be provided an opportunity to review proposed projects before project is programmed funds in a final POP. SCORE: 15

ADA - capital projects needed for ADA compliance. Does not cover routine replacement of ADA-related capital items. Project sponsor must provide detailed justification that project is proposed to comply with ADA. Subject to TFWG review. SCORE: 14

Fixed/Heavy equipment and Operations/Maintenance facility - replacement/rehabilitation of major maintenance equipment, generally with a unit value over \$10,000; replacement/rehabilitation of facilities on a schedule based upon useful life of components. SCORE: 13

Stations/Intermodal Centers/Patron Parking Replacement/Rehab - replacement/ rehabilitation of passenger facilities. SCORE: 12

Service Vehicles - replacement/rehabilitation of non-revenue and service vehicles based on useful life schedules. SCORE: 11

Tools and Equipment - maintenance tools and equipment, generally with a unit value below \$10,000. SCORE: 10

Office Equipment - computers, copiers, fax machines, etc. SCORE: 9

Capitalized Maintenance - ongoing maintenance expenses (including labor and capital costs) of revenue and non-revenue vehicles which do not extend the life of the vehicle. This includes mid-life change-out of tires, tubes, engines and transmissions which does not extend the life of the vehicle beyond the twelve years life cycle. SCORE: 9

Operational Improvement/Enhancements - any project proposed to improve and/or enhance the efficiency of a transit facility. SCORE: 8

Expansion - any project needed to support expanded service levels. SCORE: 8

Communication Equipment - For bus operators who replace radios and base stations when the bus is replaced, no additional systemwide replacement will be funded through the regional capital priorities. For bus operators who elect the systemwide replacement option, the regional participation in the project will be constrained by the radio allowance in the standard bus price. Such a project would score 16, equivalent to the replacement bus score. Ferry and rail operator communications replacement projects would compete only for Section 5309 Fixed Guideway funds. SCORE: 16 (It would score 16 as long as the radio/base station is not replaced prior to the 12-year replacement cycle for buses.)

Non-TransLink Fare Collection Equipment - fareboxes. Maximum programming allowance similar to methodology employed for communication equipment (see above). SCORE: 16 (It would score 16 as long as the farebox station is not replaced prior to the 12-year replacement cycle for buses.)

## **E. PROGRAMMING**

The following programming principles will be used to develop the FY 2001-03 TCP:



- 1) The emphasis in programming the TCP list will be given to the most essential projects that replace and sustain the existing transit system's capital plant, as consistent with the goals and objectives of the MTC RTP.
- 2) The Section 5307 funds will be programmed to projects in descending order of project score.
- 3) ADA Paratransit Service Set-aside: TEA-21 establishes a cap on the use of capital funds for ADA paratransit services not to exceed 10% of the region's apportionment of FTA Section 5307 funds. To take advantage of this new provision, set aside for each urbanized area (e.g. San Francisco/Oakland, San Jose) a full 10% of each year's Section 5307 apportionment to assist operators in defraying ADA paratransit operating expenses. The purpose of this set-aside is to ensure that in any one year, a transit operator can use these funds to provide ADA service levels necessary to maintain compliance with the federal law, without impacting existing levels of fixed route service. This ADA provision is not intended to be used as an infusion of operating assistance to increase fixed route service.

An operator may use its share of the Section 5307 set-aside for capital purposes only if the operator adequately describes in its Short Range Transit Plan (SRTP) ADA service levels necessary to comply with its ADA paratransit service requirements. The operator is also to include in the SRTP, a description of its process for engaging consumers in the development of the ADA paratransit service plan. In addition, the operator will need to certify in its annual operating claim to MTC the following:

- that ADA paratransit operating costs are fully funded in its proposed annual budget; that Section 5307 funds are not needed to implement any interagency paratransit service agreements that may be established as part of the region's paratransit coordination implementation plan.
- that for jointly funded paratransit services, operator shares of Section 5307 ADA set-asides have been jointly considered in making decisions on ADA service levels and revenues.
- If MTC is satisfied with the operator's certification, the operator may re-program its set-aside for any unfunded transit capital projects identified as STP/CMAQ Tier 1 system preservation needs, which include safety, non-vehicle ADA, maintenance facilities and heavy fixed equipment. An operator may use its funds for capital projects in the next level of needs (e.g. Tier 2) only if it can certify that it has met the funding needs of projects in the higher tier(s).

To ensure that the Section 5307 10% set-aside funding is duly considered for annual ADA paratransit needs, there will be no multi-year programming of the 10% ADA set-aside to capital-only purposes. Instead, in any given program year, the Section 5307 set-aside for each operator will automatically be programmed as a reserve for ADA paratransit operating costs in the federal TIP. An operator will be allowed the flexibility to use their shares for capital projects only if it meets all the conditions set forth in #3 above. The annual Program of Projects (POP) will reflect the final disposition of each operator's annual share of the set-aside, either for ADA paratransit service costs and/or for transit capital projects. The public hearing for the TIP Amendment to amend any programming changes for the POP, which is generally scheduled for January of each

year, will provide the appropriate forum for members of the public to address any concerns about an operator's use of the ADA Paratransit set-aside funds.

If an operator has an agreement with another operator(s) to jointly fund ADA paratransit services within a specified service area, they are expected to consider their Section 5307 10% shares jointly when making decisions regarding annual ADA service levels and necessary revenues to provide that service. Such cooperation shall be documented in the "certification" that must be approved by MTC before these shares can be used for capital projects.

The ADA paratransit set-aside funds will be distributed to operators based on the factors that generate Section 5307 funds to the region. While ADA specific factors were also considered as a basis for distribution, the lack of reliable, auditable data makes the Section 5307 factors preferable at this time. MTC staff also believes that this apportionment presents the fairest distribution among small and large operators within the region currently. However, the use of these factors this year does not preclude MTC from considering factors that reflect ADA paratransit service levels in the future when other more reliable and auditable information is available.

- 4) Transit Enhancement Set-Aside: TEA-21 requires that 1% of the FTA section 5307 apportionment be set aside for transit enhancements. Eligible projects include: historic preservation, rehabilitation, and operation of historic mass transportation buildings, structures, and facilities, bus shelters, landscaping and other scenic beautification, public art, pedestrian access and walkways, bicycle access, including bicycle storage facilities, transit connections to parks, signage, and enhanced access for persons with disabilities to mass transportation.

Due to the overwhelming needs to sustain the current transit capital plant, funded score 16 or 17 projects which can be identified as eligible transit enhancement project candidates would count against the 1% set-aside for transit enhancements, including, but not limited to, rehabilitation of cable cars and historic cars, and bike racks to be procured as part of a bus purchase. Any remaining balance will be put into a reserve for funding eligible projects in subsequent years.

- 5) The Section 5309 Fixed Guideway program will be programmed primarily with large, phased, multi-year replacement/rehabilitation and expansion rail and ferry projects to the extent that these projects are beyond the capacity of the Urbanized Area Formula (Section 5307) program, as appropriate within an urbanized area. Equity, need, and the total funding context of a project will be taken into consideration when programming these funds among eligible projects.
- 6) When making adjustments due to final apportionments, priority will be given to ready-to-go projects.
- 7) As outlined in MTC Resolution No. 3225, which was approved by the MTC Commission on October 27, 1999, AC Transit deferred selected bus replacements in exchange for \$4.9 million a year for four years in federal assistance for capitalized maintenance, starting in FY 1999-00. The programming for capitalized maintenance would instead allow AC Transit to use its operating funds to restore and enhance vital transit services that were curtailed when federal operating funds were phased out. This action of programming Section 5307 funds to capitalized maintenance is an one-

time exception to the current process. In no way will this re-programming action for AC Transit be construed as the precedent-setting vehicle for allocating additional Section 5307 funds to AC Transit or any other operators for capitalized maintenance, absent a complete re-evaluation of TCP for the post-TEA21 years, and the Commission adoption of a revised policy, as may be required as a result of the re-evaluation.